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RUEHFT/AMCONSUL FRANKFURT 3090

UNCLAS SECTION 01 OF 02 TALLINN 000243

DEPT FOR CA/FPP; PLEASE PASS TO KCC: POSTS FOR FRAUD PREVENTION
MANAGERS

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [CMGT](#) [KFRD](#) [ASEC](#) [CVIS](#) [CPAS](#) [EN](#)

SUBJECT: FRAUD SUMMARY - TALLINN: 3rd QUARTER 2008

REF: A) 07 TALLINN 938 B) 07 TALLINN 759 C)07 STATE 83571

11. COUNTRY CONDITIONS: Initial estimates indicate Estonia's economic growth has slowed significantly in FY08, causing some alarm among economic analysts and the general public. That said, labor shortages continue to exist in the country both as a result of declining birth rates and outsourcing of Estonia's labor-pool to other parts of the EU. Unemployment for calendar year 2007 was estimated at 5.2 percent nationally, but varied considerably from region to region, with higher unemployment notable in the Russian-speaking, Eastern parts of the country. In most Estonian families, both husband and wife are employed.

A large ethnic Russian minority (about 29%) resides in Estonia. Significant divisions between them and the Estonian majority remain, as evidenced by the disturbances that followed the GoE's decision to relocate a Soviet-era, World War II Memorial in April 2007 (reftel A). Public and GOE discussion of integration issues increased significantly immediately following the riots and the GOE approved the second phase of its integration strategy (2008-2013) in April.

Presently, approximately 115,000 persons in Estonia are considered stateless and travel on Estonian-issued "alien passports", also known as gray passports, which accord some travel privileges to EU and Schengen countries but not the same as those guaranteed to Estonian passports. The number of stateless persons is decreasing steadily, although a new regulation in Russian law, allowing stateless passport holders from Estonia to travel visa-free to Russia, may slow this process.

In the first half of FY08, 92.5 percent of Posts' NIV applicants held Estonian passports, 2.7 percent stateless alien passports, 3.6 percent Russian passports, and just over one percent passports from some other country. Estonia has issued machine-readable passports since February 2002, a photo-digitized since May 2005 and an E-passport with biometric data chip since May 2007. Alien passports are made to the same standard as the Estonian citizen passports.

The volume of Estonian travel to the United States is relatively low, due largely to the country's small population, and the relatively small Estonian-American population in the United States. Moreover, no direct, commercial flights exist between Estonia and the United States. A weakening dollar, however, has made travel to the U.S. more attractive and affordable for Estonians.

Russian and Estonian organized crime groups exist in Estonia and members sometimes seek U.S. visas.

(SBU) NB: As of March 30, 2008 Estonia is a fully integrated member of the Schengen area. The transition has passed smoothly, though some, including GoE and EU officials, worry that a lack of human capital in the Border services will undermine the country's ability to police its borders.

¶2. NIV FRAUD: No significant changes from the previous fraud summary. Post continues to verify suspicious applicant-provided information using various online resources, including but not limited to Lexis-Nexis, CCD, and Estonian search mechanisms to verify personal, financial and business information. While no significant NIV fraud was detected, Post has encountered a handful of applicants trying to enter under false pretenses by using illegitimate contact data.

In particular, Post has noted a high incidence of fraud among applicants using contact addresses and phone numbers from Brooklyn, NY and invariably scrutinizes individuals making use of them. One applicant recently utilized a false contact name and phone number linked to the "Costone" fraud scheme which is prevalent in Ukraine. It is not clear if the individual whose phone number was used, Mikhail Dakhe, is linked to the scheme.

Moreover, while no fraud has thus far been detected, it is notable that Post has witnessed a surge in Indian citizen applicants (6), in the third quarter of FY08.

¶3. IV FRAUD: To date, no fraud has been detected among IV applicants in Tallinn. Post began full IV and DV processing in May 2007.

¶4. DV FRAUD: See above regarding IV fraud.

¶5. ACS AND PASSPORT FRAUD: None detected since previous fraud summary.

¶6. ADOPTION: No change from previous fraud summary.

¶7. ASYLUM AND OTHER DHS FRAUD: As reported in (reftel B), Post, in November 2007, completed processing of two VISAS-92 cases in which

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it noted evidence of fraud in the petitioners own asylum application to DHS.

¶8. COOPERATION WITH HOST GOVERNMENT AUTHORITIES: Host country security services continue to provide information about persons and businesses with potentially criminal elements. Recently, the GoE helped Post learn of an establishment with links to prostitution. Additionally, the GoE continues to feed data into Post's fully automated reporting of Estonian lost and stolen passports (reftel C).

(SBU): Estonia continues its drive to enter the Visa Waiver Program (VWP). A series of meetings took place between GoE and DHS officials in the third quarter of 2008 during the visit of a DHS Initial Designation Review Team. The team visited in early April and upon leaving, expressed a favorable view of its findings relative to Estonia's customs and border infrastructure.

¶9. AREAS OF PARTICULAR CONCERN: With Estonia now part of the Schengen zone, there is concern that illegal immigration into Estonia may increase as the country provides a gateway to onward passport-free travel to the rest of the EU. There is also concern that Third country nationals will try to use fraudulent Estonian travel documents to enter other Schengen countries.

¶10. STAFFING AND TRAINING: The Consular Section consists of two officers, one consular associate and two FSNs. Everyone assists with fraud prevention work as required. Both officers have completed PC-541 Fraud Prevention for Consular Managers. The Visa Assistant has recently completed PC-542 FSN Fraud Prevention.

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